



## Additional Withholding for Pensions for 2009

### (Optional Procedure for Those Making Pension Payments To Offset Withholding Reductions for the Making Work Pay Credit)

The tables on the next page explain how to calculate additional withholding amounts for pension payments. The withholding amounts may be added to the amount of withholding determined from the percentage method, the wage bracket method, or any other allowable method. The percentage method, the wage bracket method, or other allowable method when combined with this procedure constitutes an allowable alternative withholding method for pensions and annuities.

This procedure is optional for those making pension payments subject to withholding under section 3405 of the Internal Revenue Code. The procedure is an approximate offset for the withholding reduction included in the February 2009 withholding tables found in the Publication 15-T, New Wage Withholding and Advance

Earned Income Credit Payment Tables, which reflect the Making Work Pay credit. Eligibility for the credit requires earned income, which does not include pension payments.

Pension payors are not required to use this procedure but may instead continue to use **only** the February 2009 withholding tables to determine the amount of withholding.

The procedure is shown on the next page for Monthly, Semimonthly, Biweekly, and Weekly pension payments.

If pension payors decide to use this optional procedure, they should begin using it as soon as possible.

**Note.** If a pension payee submitted a Form W-4P, Withholding Certificate for Pension or Annuity Payments, after issuance of the revised withholding tables contained in Publication 15-T to request additional withholding on line 3, pension payors using this optional procedure may want to contact the payee to determine if the additional withholding requested on line 3 is still desired or whether the payee wants to submit a new Form W-4P.

## Additional Withholding for Pensions for 2009

Approximate Offset To Withholding Reductions for the Making Work Pay Credit.  
To be used only in conjunction with the withholding tables found in Publication 15-T.

### For MONTHLY Payment Period

#### (a) For payees using the SINGLE withholding rate schedule—

If the pension payment  
(before subtracting  
withholding allowances) is: Then, the additional withholding amount is:  
Not over \$829.00 . . . . . \$0.00

#### Over— But not over—

\$829.00	—\$1,273.00	\$0.00 plus 10% of the excess over \$829.00
\$1,273.00	—\$6,153.00	\$44.40
\$6,153.00	—\$7,633.00	\$44.40 less 3% of the excess over \$6,153.00
\$7,633.00	.....	\$0.00

#### (b) For payees using the MARRIED withholding rate schedule—

If the pension payment  
(before subtracting  
withholding allowances) is: Then, the additional withholding amount is:  
Not over \$666.00 . . . . . \$0.00

#### Over— But not over—

\$666.00	—\$1,333.00	\$0.00 plus 10% of the excess over \$666.00
\$1,333.00	—\$9,844.00	\$66.70
\$9,844.00	—\$12,067.00	\$66.70 less 3% of the excess over \$9,844.00
\$12,067.00	.....	\$0.00

### For SEMIMONTHLY Payment Period

#### (a) For payees using the SINGLE withholding rate schedule—

If the pension payment  
(before subtracting  
withholding allowances) is: Then, the additional withholding amount is:  
Not over \$415.00 . . . . . \$0.00

#### Over— But not over—

\$415.00	—\$637.00	\$0.00 plus 10% of the excess over \$415.00
\$637.00	—\$3,077.00	\$22.20
\$3,077.00	—\$3,817.00	\$22.20 less 3% of the excess over \$3,077.00
\$3,817.00	.....	\$0.00

#### (b) For payees using the MARRIED withholding rate schedule—

If the pension payment  
(before subtracting  
withholding allowances) is: Then, the additional withholding amount is:  
Not over \$1,246.00 . . . . . \$0.00

#### Over— But not over—

\$1,246.00	—\$1,579.00	\$0.00 plus 10% of the excess over \$1,246.00
\$1,579.00	—\$5,836.00	\$33.30
\$5,836.00	—\$6,946.00	\$33.30 less 3% of the excess over \$5,836.00
\$6,946.00	.....	\$0.00

### For BIWEEKLY Payment Period

#### (a) For payees using the SINGLE withholding rate schedule—

If the pension payment  
(before subtracting  
withholding allowances) is: Then, the additional withholding amount is:  
Not over \$383.00 . . . . . \$0.00

#### Over— But not over—

\$383.00	—\$588.00	\$0.00 plus 10% of the excess over \$383.00
\$588.00	—\$2,840.00	\$20.50
\$2,840.00	—\$3,523.00	\$20.50 less 3% of the excess over \$2,840.00
\$3,523.00	.....	\$0.00

#### (b) For payees using the MARRIED withholding rate schedule—

If the pension payment  
(before subtracting  
withholding allowances) is: Then, the additional withholding amount is:  
Not over \$1,220.00 . . . . . \$0.00

#### Over— But not over—

\$1,220.00	—\$1,528.00	\$0.00 plus 10% of the excess over \$1,220.00
\$1,528.00	—\$5,455.00	\$30.80
\$5,455.00	—\$6,482.00	\$30.80 less 3% of the excess over \$5,455.00
\$6,482.00	.....	\$0.00

### For WEEKLY Payment Period

#### (a) For payees using the SINGLE withholding rate schedule—

If the pension payment  
(before subtracting  
withholding allowances) is: Then, the additional withholding amount is:  
Not over \$191.00 . . . . . \$0.00

#### Over— But not over—

\$191.00	—\$294.00	\$0.00 plus 10% of the excess over \$191.00
\$294.00	—\$1,420.00	\$10.30
\$1,420.00	—\$1,763.00	\$10.30 less 3% of the excess over \$1,420.00
\$1,763.00	.....	\$0.00

#### (b) For payees using the MARRIED withholding rate schedule—

If the pension payment  
(before subtracting  
withholding allowances) is: Then, the additional withholding amount is:  
Not over \$1,066.00 . . . . . \$0.00

#### Over— But not over—

\$1,066.00	—\$1,220.00	\$0.00 plus 10% of the excess over \$1,066.00
\$1,220.00	—\$3,184.00	\$15.40
\$3,184.00	—\$3,697.00	\$15.40 less 3% of the excess over \$3,184.00
\$3,697.00	.....	\$0.00